

CLEVELAND PUBLIC LIBRARY
BUSINESS INF. BUL.
CORPORATION FILE

Interstate Department Stores, Inc.

ANNUAL REPORT 1929

OTIS & CO.
STATISTICAL LIBRARY
APR 21 1930
NOT TO BE TAKEN AWAY

NEW YORK, N. Y.

FEBRUARY 28, 1930

INTERSTATE DEPARTMENT STORES, Inc.

New York, N. Y.

February 28, 1930.

GENTLEMEN:—

We are pleased to submit herewith the profit and loss statement and balance sheet of this company for the year 1929, from which it is apparent that the business continues in excellent financial condition. In analysing these reports, your management wishes to point out the following facts:—

1. EARNINGS: During the year 1929 your company opened four units in excellent locations and also, as a constructive measure, removed two of the old stores into more favorable and larger premises in their respective cities. The cost of development incident to such changes, the opening of new units, the expenses incurred in connection with certain proposed mergers, all of which are of a non-recurring nature, naturally affected the net earnings for the year. However, considering the foregoing and the additional fact that on the 31st day of December, 1929, there was outstanding 24,811 more shares of the common stock than on the corresponding date of last year, the net earnings applicable to common stock (after deduction of dividends required on the preferred stock outstanding December 31st, 1929) were \$3.89 per share, sufficient to pay all of the dividend requirements and provide a substantial addition to the surplus.

2. INCREASE IN SALES: The sales of your company for 1929 show an increase of \$4,000,988.75 over those of 1928. Your management has concluded to adopt a policy for the year 1930 to obtain a larger percentage of net profit on each dollar of sales and steps necessary to accomplish this result have been put into effect.

3. RETIREMENT OF PREFERRED STOCK: During the year 1929, your company purchased out of its surplus \$500,000. of the par value of its outstanding preferred stock and action will be taken to retire the said shares of stock and to reduce the preferred stock capital of this company accordingly.

4. EARNINGS FOR THE CURRENT YEAR: With the additional constructive policies that have been effected and the new units acquired and developed during the year just passed, the management anticipates that the company should show substantial increase in earnings during the current year.

We will appreciate your attendance at the annual meeting of stockholders to be held on the 17th day of March, 1930, at two o'clock P. M., of which you have received notice, but in the event you cannot attend, please sign the proxy enclosed with notice of such meeting.

Very truly yours,

INTERSTATE DEPARTMENT STORES, Inc.

By LEO G. FEDERMAN, *President.*

INTERSTATE DEPARTMENT STORES, Inc.

AND SUBSIDIARY COMPANIES

Consolidated Balance Sheet as at December 31, 1929

ASSETS

CURRENT ASSETS

Cash on Hand and in Banks	\$ 584,890.90	
U. S. Liberty Bonds	133,899.80	
Marketable Securities—at cost	68,324.50	
Other Investments—at cost	6,230.93	
Accounts Receivable, Leased Departments, C. O. D.'s, etc.	303,790.94	
Due from Accounts Payable	40,675.41	
Employee's Loans Receivable	50,018.53	
Due from Officers	88,291.30	
Merchandise Inventories—At cost or market, whichever was lower, pricings and quantities vouched for by officials in charge	5,117,161.84	\$6,393,284.15

CAPITAL ASSETS

Land and Buildings	\$ 300,000.00	
Leaseholds	141,762.92	
Improvements to Leased Premises	342,372.05	
Furniture and Fixtures and Delivery Equipment	1,130,942.07	\$1,915,077.04
Less: Reserves for Depreciation and Amortization	399,314.94	1,515,762.10

SUNDRY ASSETS

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DEFERRED ASSETS

Unexpired Insurance Premiums, Prepaid Rent, Taxes, Wages and Expenses. Pre-Opening Expenses and Supplies		254,418.84
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TOTAL ASSETS		\$8,179,532.59
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LIABILITIES, CAPITAL AND SURPLUS

LIABILITIES

Accounts Payable, Accrued Wages, State and County Taxes, Rentals, Expenses, etc.	\$1,044,971.38	
Reserves for Federal Taxes	138,579.38	
Minority Stockholders' Equity	8,912.92	
Preferred Dividend Payable February 1, 1930 (after crediting same with dividend on stock held for retirement)	48,125.00	\$1,240,588.68

CAPITAL AND SURPLUS

PREFERRED STOCK—7% Cumulative—\$100 par	\$3,250,000.00	
Less: Amount held in Treasury for retirement	500,000.00	\$2,750,000.00

COMMON STOCK—Authorized 240,000 shares no par*

Outstanding January 1, 1929 208,791 shares	\$1,043,955.00	
Issued during 1929 24,811 "	124,055.00	
Outstanding December 31, 1929 233,602 "		1,168,010.00

Capital Surplus—Balance January 1, 1929	\$ 744,161.51	
Surplus arising from sale of 24,811 shares no par Common Stock ..	796,716.72	1,540,878.23

EARNED SURPLUS

Balance January 1, 1929	\$1,005,694.11	
Net Profits 1929, after Preferred and Common Stock Dividends and Adjustments	474,361.57	1,480,055.68

TOTAL CAPITAL AND SURPLUS		6,938,943.91
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TOTAL LIABILITIES, CAPITAL AND SURPLUS		\$8,179,532.59
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*4,444 Shares Common Stock, Reserved for Purchase Warrants outstanding, and attached to Preferred Stock.

EARNINGS FOR YEAR DECEMBER 31, 1929

NET SALES	\$25,545,411.34
Cost of Sales, Operating Expenses, Depreciation (amounting to the sum of \$125,377.62) and losses	24,306,958.77
Net Income before Federal Taxes	\$ 1,238,452.57
Provision for Federal Taxes	136,579.03
Net Income for year ending December 31, 1929	\$ 1,101,873.54
Preferred Dividends Paid—less amount received on Preferred Stock held for retirement	192,500.00
Net Income—after Preferred Dividends	\$ 909,373.54
Dividends Paid on Common Stock	465,376.50
Net Income—after all Dividends Paid	\$ 443,997.04
Add: Net Surplus Adjustments	30,364.53
Net Amount—Credited to Earned Surplus	\$ 474,361.57

We have audited the books and accounts of the Interstate Department Stores, Inc. together with its Subsidiary Companies for the year ending December 31, 1929; and we certify that the above Balance Sheet and Summary of Earnings are in agreement with the books, and in our opinion the above Balance Sheet presents a true consolidated statement of the Interstate Department Stores, Inc. and its Subsidiary Companies, as at December 31, 1929.

Dated at New York, February 26, 1930.

GOLDBERG, JACOBSON & CO.
Certified Public Accountants.

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